

~~CONFIDENTIAL~~

1 July 1955

MEMORANDUM FOR THE RECORD

SUBJECT : Executive Pay Bill.

REFERENCE: Memorandum for the Record dtd 30 Jun 55 by DD/S, same subject.

1. On 1 July 1955 I telephoned Mr. Ismar Barush, Technical Advisor to the Civil Service Commission, to pursue my conversation of 30 June with him concerning the Executive Pay Bill. I told him that we had discussed the matter here and certainly did not want to complicate anything the Administration was trying to do, that we felt we might do just that if we insisted on several of our senior people being added to those already included in the Executive Pay Act, and that we believed the passage of a package deal for the Central Intelligence Agency during this session of Congress would be extremely remote. Accordingly, I added, we had decided to go along with the proposed Bill as he had outlined it to me but felt very strongly that the positions of Director and Deputy Director here in CIA, which were already included in the Executive Pay Act, had increased tremendously in responsibility since their present salary levels were established; consequently, we thought that there should be a substantial upward revision in salaries for these two positions in order to place them on a level with the Deputy Secretary of Defense and Under Secretaries, respectively. Mr. Barush said he knew that similar situations had already been discussed with Mr. Young and that it was his understanding that Mr. Young would oppose such action strongly....not because the suggestion did not have merit, but because one could not consider these two positions without considering others....inasmuch as it would lead to complications which would make it impossible to get the Bill through during this session of Congress.

2. Mr. Barush also explained to me that in this same package deal they were attempting to raise the salary level of grade GS-18's and to create a new grade at GS-19. Under the present proposal, all \$14,800 salaries that are in the Executive Pay Act and which remain in that Act would automatically be adjusted to \$18,000, the minimum salary for grade GS-18 would be raised to \$16,000, and provision would be made for four within-grade raises of \$300 each for a top GS-18 salary, or, \$17,200. Whether individuals already in grade GS-18 would get credit toward within-

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grade promotions for the time they had already served in that grade is not known as yet. The new grade GS-19, which would undoubtedly be limited by Congress to, say, something like seventy-five positions, would provide for a salary of \$18,000. It was Mr. Baruch's opinion that if this Bill went through the Director could, under his own administrative authority, establish a limited number of grade GS-19's within CIA. (This would take care of the Deputy Director level.)

3. An interesting sidelight of this discussion was the situation at the Federal Bureau of Investigation. Initially, the salaries of the Directors of the FBI and CIA were established at \$16,000. This remains, except that Mr. Hoover, as an individual, gets \$20,000 as long as he is in office. The salary of the Associate Director of the FBI, Mr. Tolson, was, however, adjusted to \$17,500 about two or three years ago. Hence, we have the ridiculous situation of the salary of the Associate Director of the FBI being fixed by statute at \$17,500, whereas the Director's is fixed by statute at \$16,000.

4. I advised Mr. Kirkpatrick of this information and we agreed that under the circumstances it seemed inadvisable to try to put through our own legislation or to make a fight about raising the salaries of the Director and Deputy Director above the levels proposed at this time. I discussed this briefly with Mr. Dulles and he also agreed.

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L. K. WHITE
Deputy Director
(Support)

O: DGI
cc: Inspector General
Legislative Counsel
Director of Personnel
~~Comptroller~~

30 June 1955

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MEMORANDUM FOR THE RECORD

SUBJECT: Executive Pay Bill.

1. On 30 June 1955, following Mr. Pforzheimer's conversation with a representative of the Bureau of the Budget, I attempted to call Mr. Philip Young, Chairman of the Civil Service Commission, as well as Mr. John W. Macy, Jr., the Executive Director. Being unable to reach them I was referred to Mr. Ismar Baruch, Technical Advisor to the Commission, who has been working with Mr. Young on the Executive Pay Bill and who appeared to be completely knowledgeable. He advised me that last week Mr. Young had discussed this matter with the White House and the subcabinet group on which the Bureau of the Budget has been represented by its Assistant Director, Mr. Belcher. As of the 20th of June, immediately after the 7.5 per cent pay raise was signed, it was tentatively decided that this would be a good time to push forward on an amendment to the Executive Pay Act. Mr. Baruch is now working on a memorandum which Mr. Young is to use in another subcabinet meeting scheduled for Wednesday, 6 July.

2. The Civil Service Commission has been working with "selected" agencies in revising the Executive Pay Act. Mr. Baruch understands that the Administration is not going to press for this legislation during this session of Congress. However, if consultations between the Administration and the leadership in Congress indicate that a Bill can be put through without too much trouble it will go forward almost immediately. As of now, and Mr. Baruch emphasizes that it is still very tentative, it merely provides for an amendment to the present Executive Pay Act, with almost no positions added to the list already included, and, roughly, a 33-1/3 per cent increase. The Director and Deputy Director are now included in the Executive Pay Act and under the new formula their salaries would be paid at approximately \$21,300 and \$18,000 respectively. The \$18,000 figure for the Deputy Director was set because, according to the Civil Service Commission's thinking at the moment, this will eventually be the new ceiling for grade GS-18's at which the Deputy Director position is now pegged.

3. In further discussion, Mr. Baruch told me that under the new formula the Deputy Secretary of Defense would get \$26,700 and the Under

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Secretaries \$23,300; Cabinet members are to go to \$30,000. He told me quite confidentially that he felt we would run into very strong opposition if we attempted to have a number of other CIA positions included in the Executive Pay Act and suggested that our best bet might be to propose our own separate legislation and seek a package something like the Atomic Energy Commission now has. I told him that we were reluctant to propose our own separate legislation but did feel strongly that the Director should receive the same salary as the Deputy Secretary of Defense and the Deputy Director the same salary as the Under Secretaries, with several of our other senior people receiving salaries on a level with Assistant Secretaries. (This is to be \$20,000.) Mr. Baruch said that he certainly was in sympathy with this but knew that Mr. Young felt very strongly that if they opened the door at all to allow new positions to come in the whole matter would become so complicated that it would lose all chance of early passage.

4. I reported this conversation to Messrs. Pforzheimer and Kirkpatrick, after which Mr. Kirkpatrick asked Mr. Pforzheimer to prepare separate legislation for the Director's consideration.

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L. K. WHITE
Deputy Director
(Support)

O: DCI
cc: Inspector General
Legislative Counsel
Director of Personnel
✓ Comptroller

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TRAVEL, ALLOWANCES, AND RELATED EXPENSES

Sec. 4. (a) Under such regulations as the Director may prescribe, the Agency, with respect to its officers and employees assigned to permanent-duty stations outside the continental United States, its territories, and possessions duty stations outside the several States of the United States of America, excluding Alaska and Hawaii, but including the District of Columbia, shall -

~~(1)(A)~~ pay the travel expenses of officers and employees of the Agency including expenses incurred while traveling pursuant to orders issued by the Director in accordance with the provisions of section ~~5(c)(3)~~ with regard to the granting of home leave;

(1)(A) pay the travel expenses of officers and employees of the Agency including expenses incurred while traveling pursuant to authorized home leave;

(B) pay the travel expenses of members of the family of an officer or employee of the Agency when proceeding to or returning from his post of duty; accompanying him on authorized home leave; or otherwise traveling in accordance with authority granted pursuant to the terms of this or any other Act;

(C) pay the cost of transporting the furniture and household and personal effects of an officer or employee of the Agency to his successive posts of duty and, on the termination of his services, to his residence at time of appointment or to a point not more distant, or, upon retirement, to the place where he will reside;

(1) pay the cost of storing the furniture and household and personal effects of an officer or employee of the Agency who is absent under orders from his usual post of duty, or who is assigned to a post or posts, because of emergency conditions, he cannot take up at which he is unable to use, his furniture and household and personal effects;

(2) pay the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Agency, when he is absent from his post of assignment under orders, or when he is assigned to a post to which he cannot take or at which he is unable to use such furniture and household and personal effects, or when it is in the public interest or more economical to authorize storage; but in no instance shall the weight or volume of the effects stored together with the weight or volume of the effects transported exceed the maximum limitations fixed by regulations, when not otherwise fixed by law;

(3) pay the cost of storing the furniture and household and personal effects of an officer or employee of the Agency on first arrival at a post for a period not in excess of three months after such first arrival at such post or until establishment of residence quarters, whichever shall be shorter;

(4) pay the cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and